

UNITED STATES PATENT APPLICATION
FOR
**METHOD AND SYSTEM TO ENABLE A FIXED PRICE PURCHASE
WITHIN AN ONLINE AUCTION ENVIRONMENT**

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METHOD AND SYSTEM TO ENABLE A FIXED PRICE PURCHASE WITHIN AN ONLINE AUCTION ENVIRONMENT

[0001] This application claims priority from the provisional application 60/242,729 entitled METHOD AND SYSTEM TO PROVIDE AN AUCTION TRANSACTION PROCESS AND A FIXED-PRICE TRANSACTION PROCESS VIA A NETWORK-BASED COMMERCE FACILITY and filed on October 23, 2000, which is incorporated herein by reference.

FIELD OF THE INVENTION

[0002] The present invention relates generally to the field of e-commerce and, more specifically, to a pre-auction seller determined price for an Internet-based auction facility.

BACKGROUND OF THE INVENTION

[0003] Many Internet-based auction facilities have developed in the past several years. Through Internet-based auction facilities, potential sellers can enter information about their product or service for potential buyers to bid on. The information submitted by potential sellers is then organized and stored by the Internet-based auction facility. Potential buyers can search through the organized seller information to find products or services they wish to bid on.

[0004] Once a buyer locates an item to bid on, the buyer can compete with other buyers for the item by submitting bids during a specified auction time period. At the end of the specified auction time period, the highest bid buyer is notified and the transaction between the seller and the highest bid buyer is facilitated.

[0005] While the current Internet-based auction facility works well for some items, there are several disadvantages. For example, many items in an Internet-based auction facility have at most one bid during the specified auction time. An interested buyer must sometimes wait days for an auction to end even though his bid is the only bid received. Also, there are many potential buyers who don't like auction formats.

SUMMARY OF THE INVENTION

[0006] According to one aspect of the present invention there is provided an auction method to present an auction purchase process and a fixed price purchase process for purchasing a seller's offering by a buyer. Upon receipt of a bid from a buyer, the fixed price purchase process for the item bid on is terminated and only the auction purchase process is available for the duration of the auction.

[0007] Other features of the present invention will be apparent from the accompanying drawings and from the detailed description that follows.

BRIEF DESCRIPTION OF THE DRAWINGS

[0008] The present invention is illustrated by way of example and not limitation in the figures of the accompanying drawings, in which like references indicate similar elements and in which:

[0009] **Figure 1** is a block diagram illustrating an exemplary network-based transaction facility in the form of an Internet-based auction facility

[0010] **Figure 2** is a database diagram illustrating an exemplary database for the transaction facility.

[0011] **Figure 3** is a flow chart illustrating an exemplary method of receiving offering information from a seller including whether to offer the item at a pre-auction seller determined price.

[0012] **Figure 4** is a flow chart illustrating an exemplary method of generating a buyer preferred index page using category preferences or search criteria.

[0013] **Figure 5** is a flow chart illustrating an exemplary method of displaying user interfaces for and conducting an auction facility with an auction purchase process and optionally a fixed-price purchase process.

[0014] **Figure 6** illustrates an exemplary seller interface to receive information on seller's offerings.

[0015] **Figure 7** illustrates an exemplary buyer interface to facilitate a buyer in locating items to purchase or bid on.

[0016] **Figure 8** illustrates an exemplary item list generated in response to buyer's category selection or search criteria provided in the user interface of Figure 7.

[0017] **Figure 9** illustrates an exemplary buyer interface used to receive buyer information including an indication to use the fixed-price purchase process or the auction purchase process.

DETAILED DESCRIPTION

[0018] A method and system for providing an option to sell and buy at a pre-auction seller determined price in an Internet-based auction facility are described. In the following description, for purposes of explanation, numerous specific details are set forth in order to provide a thorough understanding of the present invention. It will be evident, however, to one skilled in the art that the present invention may be practiced without these specific details.

Terminology

[0019] For the purposes of the present specification, the term "transaction" shall be taken to include any communications between two or more entities and shall be construed to include, but not be limited to, commercial transactions including sale and purchase transactions, auctions and the like.

Transaction Facility

[0020] To better understand the invention, an embodiment of an electronic transaction facility is shown in **Figures 1 and 2**.

[0021] **Figure 1** is a block diagram illustrating an exemplary network-based transaction facility in the form of an Internet-based auction facility 10. While

an exemplary embodiment of the present invention is described within the context of an auction facility, it will be appreciated by those skilled in the art that the invention will find application in many different types of computer-based, and network-based, commerce facilities. It will also be appreciated by those skilled in the art that the invention may be used in auction facilities of other architectures. The instructions stored in the auction facility (which can be executed by a processor) can be stored on a machine-readable medium including, but not limited to read only memory (ROM), random access memory (RAM), magnetic disk storage media, optical storage media, flash memory devices, or electrical, optical, acoustical or other form of propagated signals.

[0022] The auction facility 10 includes one or more of a number of types of front-end servers, namely page servers 12 that deliver web pages (e.g., markup language documents), picture servers 14 that dynamically deliver images to be displayed within Web pages, listing servers 16, CGI servers 18 that provide an intelligent interface to the back-end of auction facility 10, and search servers 20 that handle search requests to the auction facility 10. E-mail servers 21 provide, *inter alia*, automated e-mail communications to users of the auction facility 10.

[0023] The back-end servers include a database engine server 22, a search index server 24 and a credit card database server 26, each of which maintains and facilitates access to a respective database.

[0024] The Internet-based auction facility 10 may be accessed by a client program 30, such as a browser (e.g., the Internet Explorer distributed by Microsoft Corp. of Redmond Washington) that executes on a client machine 32 and accesses the auction facility 10 via a network such as, for example, the Internet 34. Other examples of networks that a client may utilize to access the auction facility 10 include a wide area network (WAN), a local area network (LAN), a wireless network (e.g. a cellular network), or the Plain Old Telephone Service (POTS) (or PSTN) network.

Database Structure

[0025] **Figure 2** is a database diagram illustrating an exemplary database 23, maintained by and accessed via the database engine server 22, which at least partially implements and supports the auction facility 10. The database 23 may, in one embodiment, be implemented as a relational database, and includes a number of tables having entries, or records, that are linked by indices and keys. In an alternative embodiment, the database 23 may be implemented as a collection of blocks in an block-oriented database. While

Figure 2 shows one embodiment of a database, it will be appreciated by those skilled in the art that the invention can be used with other database structures.

[0026] Central to the database 23 is a user table 40, which contains a record for each user of the auction facility 10. A user may operate as a seller, buyer, or both, within auction facility 10. The database 23 also includes item tables 42 that may be linked to the user table 40. Specifically, the item tables 42 include a seller items table 44 and a buyer items table 46. A user record in the user table 40 may be linked to multiple items that are being, or have been auctioned via the auction facility 10. A link indicates whether the user is a seller or a buyer with respect to items for which records exist within the items tables 42. While offerings by the seller are referred to as "items" in the specification, "items" includes any product or service offered by the seller. The database 23 also includes a note table 48 populated with note records that may be linked to one or more item records within the item tables 42 and/or to one or more user records within the user table 40. Each note record within the note table 48 may include, *inter alia*, a comment, description, history or other information pertaining to an item being auctioned via the auction facility 10 or to a user of the auction facility 10.

[0027] A number of other tables are also shown to be linked to the user table 40, namely a user past aliases table 50, a feedback table 52, a bids table 54, an accounts table 56, and an account balances table 58.

[0028] **Figure 3** shows a flowchart for an exemplary embodiment of a method to acquire offering information from a seller. The seller issues a listing request (block 100) to the auction facility 10, and the auction facility generates instructions (block 110) offering the seller the option to sell his item using an auction purchase process option and/or a fixed-price purchase process option. After the instructions have been transmitted (block 120), and a page server 12 (see **Figure 1**) displays the instructions, the seller decides whether to offer a buyer the chance to buy the offering at a pre-auction seller determined price in a fixed-price purchase process. The seller transmits a purchase process indicator by either an affirmative (block 140) or a negative (block 150). The server can receive and store in note table 48 of database 23 (Figure 2) this information for later use (block 160). The seller also transmits other offering information, such as a description, picture, reserve price, and contact information to be collected and stored in note table 48 of database 23 (see **Figure 2**) (block 160). Optionally, if the seller sends a pre-auction seller determined price that is less than the reserve price he or she sends, the seller can be notified of an error.

[0029] **Figure 4** shows a flow chart showing one embodiment of a buyer's interaction with the Internet-based auction facility. The buyer locates the site by inputting the auction facility identifier (block 600) into the client program 30 running on client machine 32 (see **Figure 2**) which transmits the auction facility identifier (block 610) through the Internet 34 (See **Figure 1**). The Internet-based auction facility receives the transmission and (block 620) a listing server 16 (see **Figure 1**) generates a broad list of available categories of items stored in items table 42 (see **Figure 2**) for the buyer to select from. The auction facility 10 (block 630) transmits the category list and transmits an interface, which can be presented by a page server 12 (see **Figure 1**), to allow the buyer to enter search criteria which may be independent of the category list. The buyer selects a category preference from the category list or generates a search criteria (block 640). The buyer then transmits (block 650) the category preference or search criteria, again, through the Internet 34 (see **Figure 1**). Upon receipt of the category preference or search criteria, the auction facility uses a search server 20 (see **Figure 1**) to generate an item index page of relevant offerings including visual indicators displayed in respect to items in which the seller is allowing a buyer to buy the item at a pre-auction seller determined price (block 660). The item index page is transmitted to the buyer (block 680). After receiving the item index page

(block 670), the buyer generates a request for an item to purchase or bid on. Picture servers 14 (see **Figure 1**) can also be used to show the buyer pictures (if available) of the item. The buyer's request is then transmitted (block 20). [0030] **Figure 5** shows a flow chart illustrating how the client interfaces with the auction facility, located on a first computer system, when a pre-auction seller determined price is an alternative option to bidding. After the facility receives the buyer's request (block 200), decision block 210 decides if there is still time remaining in the item's auction (item requested by the buyer). If a predetermine period of time has passed, the buyer will not be allowed to place a bid or buy at the pre-auction seller determined price. Instead the auction will end and the highest bidder (if there is one) will be determined (block 380). If there is time remaining, then the determination is made in decision block 220 whether a prior bid has been received. If a prior bid has been received, then the pre-auction seller determined price is no longer available to the buyer and the buyer's only option is to bid. If no prior bid has been received, and the item has a pre-auction seller determined price available, a first user interface will be created (block 230). The auction facility 10 will make the typical auction purchase process available through the user interface (block 240) and will make the fixed price purchase process available to the client (block 250). The pre-auction seller determined price is

retrieved for the user interface (block 260). The first user interface is converted into a markup language document suitable for viewing by the buyer (block 270). The generated markup language document is then transmitted for viewing by the buyer on a second computer system using page servers 12 on the first computer system (block 280) (see Figure 1).

[0031] If, at decision block 220, it is determined that an initial bid value has been received, a second user interface will be generated (block 390). The typical auction purchase process is then made available through the user interface (block 400). The second user interface is converted into a markup language document suitable for viewing by the buyer (block 270). The generated markup language document is then transmitted to the buyer (block 280).

[0032] After the markup language document has been transmitted to the buyer, a determination is made at decision block 420, based on the transmitted markup language document whether the fixed price purchase process is available to the buyer. If the fixed price purchase process is available to the buyer, the buyer then makes a determination at decision block 290 whether to buy the item at the pre-auction seller determined price or whether to bid on the item. If the buyer chooses to purchase the item

using the fixed price purchase process, his indication to buy at the pre-auction seller determined price is transmitted to the auction facility.

[0033] If the fixed price purchase process is not available to the buyer (as determined in decision block 420) or fixed price purchase process is available, but the buyer chooses not to use the fixed price purchase process, the buyer generates a bid (block 310). The bid is then transmitted to the auction facility (block 320).

[0034] Upon receiving a transmission from the buyer, a determination is made at decision block 330 whether the buyer has chosen the fixed price purchase process. If the buyer has chosen the fixed price purchase process, the auction is stopped (block 340) and a transaction is initiated between the buyer and the seller (block 410). Optionally, the auction facility can check the buyer's credit before stopping the auction.

[0035] If the buyer has not opted to use the fixed price purchase process, as determined by the auction facility at decision block 330 (either because it wasn't available or he or she preferred to place a bid instead), the bid is received (block 350). Optionally, if the bid is greater than the pre-auction seller determined price (and the fixed price purchase process is still available), the auction facility may invite the buyer to use the fixed price purchase process. Upon receipt of the bid, the fixed price purchase process

option is removed (block 360) and a determination is made at decision block 370 to see if there is any time remaining in the auction. If there is time remaining in the auction, bids can be received and processed in the above manner until there is no more time remaining in the auction. However, if there is no more time remaining in the auction, the highest valid bid is determined from the received bids (block 380), and a transaction is initiated between the highest bidder and the seller (block 410).

[0036] **Figure 6** provides an exemplary embodiment of the user interface 500 created at block 110 in **Figure 3** to relay offering options to the seller and collect information on the seller's item. The user interface 500 gives the seller the option to allow a buyer to buy the item at a pre-auction seller determined price 514.

[0037] **Figure 7** provides an exemplary embodiment of the category list 517 and search criteria request generated by object 620 in **Figure 4**. A buyer can generate search criteria (block 640) by typing the search criteria (block 516).

[0038] **Figure 8** provides an exemplary embodiment of the item index page generated at block 660 in **Figure 4**. A possible placement of the fixed-price purchase process availability icon 518 is shown next to the item. Also displayed in the embodiment of the item index page is a list of prices 514

which could either be the current bid or the pre-auction seller determined price if available.

[0039] **Figure 9** shows an exemplary embodiment of the markup language document generated at block 270 in **Figure 5**. Regular auction panel 503 is generated (blocks 240 and 400). Fixed price purchase process panel 504 is generated (block 250) in **Figure 5**. The buyer can submit a bid 520 or, depending on the availability of the fixed price purchase process, can start the fixed price purchase process in panel 504.

[0040] Thus a method and system for providing an option to sell and buy at a pre-auction seller determined price in an Internet-based auction facility have been described. Although the present invention has been described with reference to specific exemplary embodiments, it will be evident that various modifications and changes may be made to these embodiments without departing from the broader spirit and scope of the invention. Accordingly, the specification and drawings are to be regarded in an illustrative rather than a restrictive sense.